



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Speech from the Throne

March 14, 2000



SPEECH FROM THE THRONE

Delivered at the Opening
of
The Second Session
of
The Forty-Fourth
General Assembly
of the
Province of Newfoundland and Labrador
on Tuesday, March 14th, 2000
by
His Honour
The Honourable A. M. House, C.M., M.D., LL.D., FRCPC
Lieutenant-Governor

Introduction

Mr. Speaker and Members of the House of Assembly:

I take great pleasure in welcoming you to the Second Session of this, the Forty-Fourth General Assembly.

This is a period of new opportunity and challenge for Newfoundland and Labrador. A new sense of confidence in our future is taking shape, inspired by our growth and bright prospects.

A period of new opportunity and challenge

The Plan is Working

Mr. Speaker and Members of the House of Assembly:

Four short years ago the challenges before us appeared overwhelming. Our province had the poorest GDP and job growth in the country.

The challenges before us appeared overwhelming

At the time, my government called for two transformations to take place; one to change the way others see us, the other to change the way we see ourselves. My government said that, if we stood together and followed a plan, we would turn things around. Our plan is working. As a result:

- Our fiscal house has been put in order, and our credit rating has returned to its strongest level since the fisheries crisis.
- We have been leading the country in GDP growth for two years running.
- Taxes have been reduced.
- Our employment growth is more than double the national average.
- Social assistance caseloads are at their lowest level in a decade.
- Net out-migration is at its lowest level since the northern cod moratorium began.

We stood together and now our plan is working

Now is not the time to rest.

A key challenge is the protection of our health care system. While it is ailing, it is still the best in the world. National action is needed to reform and modernize medicare. Increased federal funding is also essential to stabilize the system. My government is committed to working in partnership with the federal government and other provinces to ensure that our health care system meets the needs and expectations of our people.

A second, key challenge is to strengthen and secure economic growth for every region of our province. In doing this, we must recognize the private sector as the engine of our economy.

My government is committed to meeting these challenges in a fiscally prudent manner. There can be no turning back to debt and deficits to finance “quick fix” solutions to our problems.

Protecting our health care system and securing economic growth are key challenges

This will be done in a fiscally prudent manner

Realizing Our Economic Potential and Future

Mr. Speaker and Members of the House of Assembly:

The Jobs and Growth Consultations

Last fall, my government undertook a major process of public consultations on building jobs and sustaining our economic development. The public’s response in these consultations was strong and inspiring. Our people are taking charge of their own futures. They see my government as a partner in this challenge. They support the leading role volunteers play in our communities. They want our social programs to be coordinated and integrated with efforts to facilitate economic growth.

Listening to and learning from our people

Our people also want my government to remain committed to the principle of economic diversification, and to ensuring that our natural resources are developed in a way which provides full and fair benefits to our people.

Our people recognize that new partnerships between government, business, labour and community are needed, and that the Regional Economic Development Boards are already taking up this challenge at a community and regional level. They realize that our future must never again be determined by the prosperity of a single industry. They see small business as a sector of our economy that has yet to be fully tapped, and want my government to maintain a climate which assists small businesses in reaching their full potential.

My government is already moving on some of the ideas brought forward in these consultations. In the near future, it will present an interim report on what it heard.

Maintaining a Competitive Edge

Building from what it heard, my government will announce further changes in the payroll tax, to ensure that this tax does not undermine the growth of small businesses. Details will be included in the upcoming budget.

My government's programs of direct assistance to business will be reviewed and refocused to address the needs of small businesses more effectively. New ways of providing access to capital through community-based development agencies will be explored, as will the establishment of a Venture Capital Tax Credit

My government will also continue its efforts to cut red tape and ensure its regulations do not undermine the development of small businesses.

To ensure that our education system effectively responds to the needs of our people and economy, a new Labour Market Development Council will be established, involving government, industry, labour and post-secondary institutions.

Fundamentally, the jobs and growth consultations showed that we must put old ways and approaches aside for the greater good. This was recognized by the Irish in turning their

A jobs and growth report and strategy

A focus on small business

A new Labour Market Development Council

economy around. In coming months, my government will sponsor a visit to Ireland by government, business and labour to examine the Irish experience and see how and where it may have application to our future.

Major Projects

My government remains fully committed to the principle that major projects like Voisey's Bay and the Labrador Hydro Project should only proceed if they provide full and fair benefits. It is similarly committed to ensuring that appropriate benefits are obtained from our developing oil and gas sector.

Standing firm for what is fair

While discussions on the Voisey's Bay project have stalled, my government remains confident that this project will be developed responsibly, and in a way which maximizes benefits for Newfoundland and Labrador.

My government will make every effort to conclude negotiations with Quebec regarding hydro resources in Labrador. Further to the Memorandum of Understanding reached with Quebec on March 9, 1998, my government has already concluded several agreements which substantially add to the revenues we get from the original Upper Churchill contract. A new Guaranteed Winter Availability arrangement has been concluded which will provide approximately \$1 billion in additional revenue to our province over the next forty years. A power recall and resale arrangement has also been concluded through which we have already received \$70 million. While the original Upper Churchill contract has provided just \$20 million in revenues over the past two years, these two new arrangements have provided our province with \$75 million during the same period.

Adding value to the Upper Churchill

My government has set out principles it is following in negotiating an agreement for the development of the Lower Churchill. These principles are:

- The project must be led and managed in our province.
- A majority of benefits must flow to the majority shareholder, Newfoundland and Labrador.

- Engineering management must be based here.
- Procurement offices must be located in our province.
- First consideration should be given to provincially-based companies where they are competitive in terms of fair market price, quality and delivery.

In the coming months, my government will attempt to conclude an agreement which satisfies these principles and reflects a new relationship with Quebec. Any agreement must demonstrate that, while we cannot rewrite the past, we can create a prosperous future together.

Important things are also happening in the offshore. Offshore exploration has more than tripled in value in the past year, and is now at the highest level in a decade. This is not simply an industry based on Hibernia. It includes the Terra Nova project, the Hebron/Ben Nevis complex, and a fourth field, White Rose, which represents an important opportunity for major gas development.

Our natural gas resources, in particular, hold tremendous potential for this province. My government is committed to developing a comprehensive natural gas development strategy.

A Major Projects Secretariat has already been set up within my government to ensure that a systematic and structured approach is taken on major project benefits, and that we gain the maximum potential from them for our future.

My government will balance its interest in the benefits from major projects with its responsibility to protect the environment. New legislation will be introduced to modernize and improve the environmental assessment process. Action will also be taken to address environmental problems, such as the clean up of the former Hope Brook Gold Mine site.

Our Developing Economy

Our fishery has been given a prosperous second chance. In return, we must act cautiously to protect and conserve the ocean's resources.

***We cannot rewrite
the past, but we can
create a prosperous
future with Quebec***

***A comprehensive
natural gas
development
strategy***

***Protecting the
environment***

In seven short years we have turned the fishery around. Despite major obstacles, the export value of our fishing industry has doubled, and now stands at the highest value in our history.

We did this by seizing new opportunities. We recognized that we could not let this industry depend on one stock or one species. We also took important steps to improve our understanding of the resource, and deal with the problem of over-harvesting. Conservation, professionalization, and quality have become the hallmarks of our new industry. In particular, we must ensure that conservation guides every step we take.

Last year, through collaboration between the union, industry and government, a new trial bargaining process for fish prices was instituted. This process was based on the need for greater cooperation by all players. In coming months, my government will work with the industry and union to permanently and effectively institute this new approach. Amendments to the *Fishing Industry Collective Bargaining Act* will be tabled.

The province's forest sector is also important. The pulp and paper industry is rebounding from a difficult period of labour relations, and market conditions for newsprint are improving. Lumber production is reaching record levels, and the value added wood products industry is only beginning to reach its potential. My government is committed to working with the industry to address the need to sustain and stabilize the wood supply. It is also working in cooperation with aboriginal groups and the community at large to develop the wood resources of Labrador. A request for expressions of interest related to the development of sawmills on the Labrador coast was recently issued.

Our agriculture, agrifoods and nutriceutical industries are also notable contributors to our economy. This was recognized in the jobs and growth consultations.

Our tourism industry is experiencing breathtaking growth. Hospitality Newfoundland and Labrador estimates that 25,000 people are directly or indirectly employed by this industry. In

*Developing a
fishery of the future
based on
conservation*

*Amendments to the
Fishing Industry
Collective
Bargaining Act*

*Sustaining and
stabilizing our
wood supply*

1999, 400,000 visitors enjoyed our hospitality and natural beauty. This is a new record. This summer we shall press to build upon this growth with the Vikings!1000 celebrations.

A new record for non-resident visitors

As a specific priority, my government will work to make Newfoundland and Labrador a major destination for the cruise industry. This year, cruise ships will bring almost 28,000 visitors to our shores and bays.

Our natural beauty and pristine environment are essential to our tourism product. To this end, my government will issue a natural areas system plan that protects sensitive and representative ecological sites.

A natural areas system plan

Our culture is also important. My government is providing new funding to the Newfoundland and Labrador Heritage Foundation. Progress is being made on The Rooms, a new home for the Provincial Archives, Museum and Art Gallery. We are reviewing funding for the Newfoundland and Labrador Arts Council.

Our information technology sector is growing at a rapid pace. Industry representatives estimate that the information technology sector has grown by 50 per cent in the past two years and has the potential to double in size within four years. This industry is not limited by geography, only by imagination.

Capturing our IT potential

Government and local companies have already shown significant leadership in this sector by pioneering new approaches in distance education and tele-medicine. We have also supported the development of a new generation of entrepreneurs - people like Mark Dobbin and Emad Rizkalla - who are leading the development of the high tech sector across our country. Newfoundland and Labrador companies like Aliant have become major players throughout Atlantic Canada, and indeed the world.

My government will continue to lead and support this sector by example. In coming months, my government will establish an IT Task Force to develop and apply a government-wide approach to dealing with online delivery and access to government services. The government internet site will be

Government as a Model User of IT

revamped. A pilot project will also be instituted whereby motor vehicle registration renewals can be submitted online.

Our ability to access and apply IT is restricted in rural areas by crowded telephone lines and inadequate equipment. This is a problem requiring action by the federal government which has exclusive regulatory responsibility in this area, and by the major telecommunications companies which have an obligation to provide quality service. My government will work with the industry, the federal government, and key user groups to see this problem resolved.

***Improving IT
access and quality
for rural areas***

A Fair and Competitive Tax and Fiscal Environment

Mr. Speaker and Members of the House of Assembly:

The gains achieved through economic growth and fiscal management must be shared with the people who have worked hard to turn our economy around.

My government has brought forward the first sales and provincial income tax reductions since Confederation.

***The first tax
reductions since
Confederation***

Through the HST and other tax credits and benefits, my government has put more than \$120 million back in the hands of the people. Over the past two years, federal income tax changes have also dramatically reduced the taxes collected by my government. Tax reductions and credits already total more than \$150 million annually.

The amount of income tax that Newfoundlanders and Labradorians pay has been reduced by 5 per cent this year, and as our financial position permits, total reductions will amount to about 15 per cent by the end of three years. When combined with reductions in federal income tax, \$60 million will be put back into the hands of the people in 2000, \$42 million of which will be from provincial tax cuts.

***Income tax
reductions will put
\$60 million back in
hands of the people
in 2000***

While tax cuts are important, my government has made a commitment to the people of this province that sustainable health and social programs will not be compromised.

Supporting our Families and Communities

Mr. Speaker and Members of the House of Assembly:

My government is committed to maintaining effective programs which protect the well-being of our families and communities.

The development of our children is a particular priority. My government has supported the creation of the National Child Benefit to help parents build a more secure future for themselves and their children. Under the related \$10 million Provincial Re-Investment Program, my government is providing improved infant child care and family care services, expanded family resource centre programs, and support to community-based youth networks.

Protecting the well-being of families and communities

My government will examine reforms to the current social assistance system, particularly benefits provided in support of the health of under-privileged children. It will also work with the federal government and the other provinces to provide further support to parents and families through the National Children's Agenda.

Examining reforms to the social assistance system

A difficult decision for any family is to place an elderly loved one under long-term care. My government has already acted to stop the unfair practice of clawing-back federal support payments for the spouses of people under long-term care, where this creates economic hardship. Legislation shall be presented to this Honourable House to further deal with this matter.

Stopping unfair practices

My government has also strongly applauded the Government of Canada's recent decision to provide compensation to Merchant Navy veterans, and has indicated that it will not claw-back these funds to cover institutional costs now borne by the province.

My government has invested \$1.2 million in demonstration projects under our Strategic Social Plan. It is working with organizations across Newfoundland and Labrador in addressing community needs and strengthening community supports.

Our communities must also be given the opportunity to grow and plan to meet their changing needs. My government will bring forward a new *Urban and Rural Planning Act* to delegate planning power to municipal governments.

A new Urban and Rural Planning Act

Educating Our Children

Mr. Speaker and Members of the House of Assembly:

My government believes that a first class level of education is fundamental to the provision of a high quality of life for all citizens.

The Next Stage in Education Reform

When the people of this province voted in favour of education reform, my government promised to provide our children with a higher quality of education. This promise inspires every action we take.

A commitment to students

Our first task was to reform the education system that kept our children apart. This was a difficult process, but we found a better way. My government is hopeful that recent court cases have put to rest legal challenges to education reform. The time has come for all parties to pull together and make education reform a success.

All children, no matter where they live, deserve access to an education that will prepare them to face the future with confidence and optimism. That is why my government appointed a Ministerial Panel on Educational Delivery in the Classroom. The Panel was asked to take a hard look at the K-12 system and to make specific recommendations to ensure our commitment to students is realized. The Panel's final report is expected later this month. My government is committed to responding to its recommendations quickly.

The Ministerial Panel on Educational Delivery

Some of our children have special needs. My government spends \$70 million annually to support students with such special needs, a significantly higher amount per student than any other Atlantic province spends. We will continue to work with stakeholders to ensure all children are inspired to reach their full potential. To this end, my government has formed an Advisory Committee on Serving Children with Special Needs.

The story of our peoples and this special place in which we live must be shared with those who will write the next chapter. My government will introduce a new Newfoundland and Labrador history course in our schools.

*A new
Newfoundland and
Labrador history
course*

Access to An Affordable Future

Our commitment to students does not end when they leave high-school. Our post-secondary education system must equip students with the skills and knowledge they need to compete and be successful in a rapidly changing world.

My government is taking significant steps to make post-secondary education more affordable, despite declining federal support in this area:

- It is working with Memorial University and the College of the North Atlantic to ensure that tuition rates are affordable.
- My government has more than matched the \$25 million private sector contribution to Memorial University's Opportunity Fund, \$15 million of which will go to scholarships and fellowship endowments.
- A \$4 million Student Awards Program was established as a bridge to the introduction of the Millennium Scholarship Fund.
- Loan remission and interest relief programs are being used to target the serious problem of student debt. The impact of this is significant. For example, graduates from a four year program who borrow \$35,000 would have their debt reduced by about one-third by my government's programs.

*Striving to make
post-secondary
education more
affordable*

Together, we can do more. My government is already conducting a review of the Student Aid Program.

*A review of the
Student Aid
Program*

Literacy

Literacy skills are key to finding work and enjoying life. They are important to all people, no matter how old they are, or where they live. My government will soon release a Strategic Literacy Plan which was drafted in consultation with key stakeholders. Implementation of our plan will begin immediately.

*Our Strategic
Literacy Plan*

Health Care: A Top Priority

Mr. Speaker and Members of the House of Assembly:

One of Canada's greatest accomplishments is our national medicare system. It is, however, under intense strain caused by a significant decline in federal financial support. The \$2.5 billion announced for health in the recent federal budget will provide this province with little more than \$10 million per year over four years. This funding is not enough. Full restoration of federal transfers is essential. My government is committed to ensuring that every penny it gets from the federal government for health is invested in our health care system.

*A great system
under intense
strain*

My government's \$1.2 billion health care budget represents the largest single financial commitment it has made in any policy or program area. Health care accounts for 42 per cent of the money my government spends on all of its programs and services. Per capita spending on health has increased by over 20 per cent since 1995-96, despite major cutbacks in most other areas.

*Our largest single
financial
commitment*

Investing in Health Human Resources

The nature of many health-related professions is changing. To deal with this, my government is already undertaking a priority classification review of the positions held by nurses, licensed practical nurses, social workers and allied health professionals -

*A priority
classification
review*

including physiotherapists, occupational therapists, pharmacists, dietitians and speech language pathologists.

My government has also taken steps to deal specifically with nursing issues in the health care sector:

- \$7.5 million has been committed to create 125 new permanent nursing positions.
- \$2.3 million has been provided for the conversion of up to 540 casual nursing positions to permanent status.
- Another \$4 million has been provided for additional support staff to improve workload issues for nurses.

A focus on nursing concerns

My government's recruitment efforts are also proving successful. In February, a \$3,000 signing bonus was announced for graduating nurses who commit to work in our province for at least one year. It is anticipated that up to 100 new nurses will avail of the program this year.

During the fall of 1999, my government also announced a three-year \$225,000 Rural Incentive Program for student nurses. Up to 50 students each year are benefitting from this program.

My government has also taken action to address the workload concerns of other health care professionals:

- A \$32 million physician services MOU was signed with the Newfoundland and Labrador Medical Association.
- Over 50 physicians have been recruited to the Province since the MOU was signed.
- \$1 million has been spent on physician bursary programs, including an incentive program for general practitioners and programs for specialists.
- Over \$300,000 is being spent on seat purchase and bursary programs for allied health professionals. Twenty allied health professionals took up work under this program last year.
- An Integrated Health Human Resource Plan is also being developed for each region of our province.

Addressing workload concerns

An Integrated Health Human Resource Plan

New Approaches

Early intervention and prevention is the key to improving population health over the long term. We must make investments in this area today, even though outcomes may not be seen for a generation or more. Every person's lifestyle and personal health has an important impact on the system.

My government is already acting in this area by supporting healthy baby clubs, family resource centres, and youth networks, and through such measures as its tobacco reduction and nutrition strategies. Beyond this, my government will establish a Comprehensive Breast Health Program, and renovate St. Clare's hospital to serve as a screening and main breast health diagnostic facility for the province.

Investing in Capital Equipment and Renovations

My government has made significant and important financial commitments to secure the stability of our health care system:

- \$40 million has been spent to virtually eliminate the deficits of our regional health boards up to March, 1998.
- Annual funding for the Boards' base budgets has increased by \$45 million since 1997-98.
- \$21 million has been invested in additional hospital equipment.
- \$90 million was committed this year to build and improve health care facilities as part of a \$250 million program.

My government has made substantial commitments to the protection and support of health care. In the forthcoming budget, it will do more.

My government is committed to a path that will ensure a sustainable health care system for our future. The Minister of Health and Community Services will provide regular updates on our progress and milestones as they are achieved.

A Comprehensive Breast Health Program

Key investments to stabilize the system

Regular progress reports to the people

A Commitment to Labrador - The “Big Land”

Mr. Speaker and Members of the House of Assembly:

Labrador is an important part of who we are. Labradorians are full partners in this province.

On April 29, 1999, my government brought forward amendments to the Terms of Union to ensure that the name of our province reflects this partnership. A resolution to change the province's name to Newfoundland and Labrador is now before the Government of Canada. We are asking the federal government to move quickly.

***A new name for
our province***

Labradorians deserve more than a name change. My government has taken steps to deal with the major priorities of Labradorians:

- Phase I of the highway (connecting Labrador West to Happy Valley-Goose Bay) is now being completed, and construction of Phase II (connecting Red Bay to Cartwright) has commenced.
- My government is committed to providing a high quality marine link to remote areas of coastal Labrador.
- My government has also entered into a four-year, \$17.8 million contract for the MV Apollo to serve the St. Barbe-Blanc Sablon ferry run. This agreement will see important service improvements in time for this year's tourism season.

***Dealing with the
priorities of
Labradorians***

My government is committed to ensuring that every dollar under the Labrador Transportation Initiative is used to maintain and improve highway and ferry services in this area.

There are other important economic and social challenges facing Labrador communities. My government will work in partnership with the Combined Councils of Labrador and other groups to address the needs of Labradorians. To this end:

- A new hospital, built in partnership with the community and corporate sector, will soon open in Happy Valley-Goose Bay.
- State of the art schools have been built in Rigolet and Hopedale. Improvements are also being made to schools in Happy Valley - Goose Bay and North West River.
- My government has called for the elimination of excessive postal rate increases which are hurting northern communities.

Working together to meet the needs of Labradorians

My government will work on addressing the serious housing shortage facing Labrador's north coast. Other major problems, such as the need for better roads and related transportation and municipal infrastructure, will be tackled. Specific initiatives will be announced in the upcoming budget and over the upcoming year.

In May of last year, negotiators for my government, the Labrador Inuit Association and the federal government reached an agreement in principle on land claims and self government. This agreement has been ratified by the LIA's membership, and will serve as the basis for a final agreement. My government is committed to concluding a final land claims agreement quickly on the basis of the work we have undertaken together.

My government is also committed to continuing to work with the Innu Nation. As we work together, we are building trust, understanding, and a strong foundation for the partnerships of tomorrow.

While our overall objective is the resolution of land and related claims, aboriginal communities face serious social challenges that must be addressed immediately. Together we must fight the battle against substance abuse and suicide facing them. My government is committed to working with aboriginal groups to ensure they have the tools to help themselves deal with these challenges.

Last November, my government reached an important agreement with the federal government and Innu Nation on first nations equivalency and related matters. My government is

Addressing the serious social challenges facing aboriginal communities

committed to using any savings it realizes from this arrangement for other community priorities identified jointly with the Innu.

The Road Ahead

Mr. Speaker and Members of the House of Assembly:

Our opportunities are significant. Our potential is enormous. Challenges, however, remain. As I stated last year, by making the difficult choices when we had to, and by believing in ourselves, the people of this province are making this new century our time.

Mr. Speaker and Members of the House of Assembly:

Estimates of Expenditure will be laid before you in due course and you will be asked to grant supply to Her Majesty. I invoke God's blessing upon you as you commence your labours. May Divine Providence guide you in your deliberations.